

LORENA – 2023 TEDC CEDA application submittal

TEDC 2023 CEDA APPLICATION

The 2023 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000

NOMINATION:

Name of Community: Lorena

TEDC Member Name: Jason Mundo, CEcD

Telephone #: 214-642-5352

Email Address: Jason@mundoandassociates.com

Community Population (as currently marketed): 1,898

Application Submitted By: Jason Mundo, CEcD - Lorena EDC Director

Email Address: LorenaEDC@LorenaTX.gov ; Jason@mundoandassociates.com

Summary:

Lorena succeeded in attracting Bright Farms, a nationwide indoor grower of salad greens to Lorena Texas, a small community of less than 2,000 citizens on IH-35 south of Waco. Bright Farms has broken ground to start a two phase project with a total value of over \$365 million. The initial phase of two commercial greenhouses will have a value of over \$182 million creating 154 jobs at an average salary of \$46,000 that will grow and deliver salad greens to markets within a 4-hour radius of Lorena, which include Waco, Austin, San Antonio, Houston, and the DFW Metroplex.

Innovativeness:

As a small community, Lorena utilized the creation of large infrastructure instead of large incentives to attract Bright Farms. To attract Bright Farms, Lorena utilized their Tax Increment Reinvestment Zone, Lorena TIRZ #1 East, to make hundreds of acres Shovel Ready by envisioning, planning, designing, financing, and constructing \$6Million of sanitary sewer lines and lift stations to prepare sites for development years in advance, which enabled Lorena to attract Bright Farms today.

Lorena competed against many other sites in Central Texas to attract Bright Farms. But, Lorena was selected without providing incentives, because Lorena had the site today, with utilities in place, today, so that Bright Farms could break ground and be under construction today.

Transferability:

Lorena's success shows that long term planning with continued implementation by a coalition can lead to success. As a community of less than 1,900 citizens, Lorena's success shows that small communities can create infrastructure to attract development and create jobs in the same manner and with the same tools as larger cities.

Community Commitment and Leverage:

Lorena partnered with local, regional and state economic development and government partners to attract Bright Farms.

First, the Lorena EDC teamed with the Greater Waco Chamber of Commerce to prepare and respond to the initial statewide prospect from the Governor's Office of Economic Development in October 2020. In the following 3 years, the Lorena EDC, City of Lorena, Greater Waco Chamber, and Lorena TIRZ #1 East coordinated with Bright Farms to showcase the shovel ready site, ensure all utility requirements were in place, and attract Bright Farms to Lorena.

For the Bright Farms 100 acre site, Lorena is utilizing Lorena TIRZ #1 East, a 1,000 acre Tax Increment Reinvestment Zone where the TIRZ Coalition of the Lorena EDC, City of Lorena, McLennan County, and TIRZ large land owners had committed, invested, and financed an amount totaling approximately \$6Million for the design, construction, and management of sanitary sewer line and lift station infrastructure to attract development and job creators.

This was done through a Public Private Partnership of several development agreements. Three Development agreements between Lorena TIRZ #1 East and the Lorena EDC, City of Lorena, and McLennan County all of which committed 70% of the increment of future property tax and sales tax revenue to pay for TIRZ infrastructure along with over \$4Million in Certificate of Obligation financing from the City of Lorena and over \$250,000 cash from each of the City of Lorena and Lorena EDC. Three additional development agreements with TIRZ private land owners resulted in an additional \$600,000 cash commitment to the TIRZ, all of which together pay for the infrastructure in the TIRZ that will be utilized by Bright Farms and future developments, and that can be reimbursed by Lorena TIRZ #1 East back to the coalition who invested it at a later date.

Measured Objectives:

Creating commercial development to grow the tax base and job creation are goals of the Lorena EDC, Lorena TIRZ #1 East, City of Lorena 2020 Comprehensive Plan/Strategic Plan.

Initially, this will be a 2 Greenhouse Bright Farms project generating an estimated \$182.7 Million development that grows salad greens, generating an estimated \$961,808 annually in City property tax revenue. This project will also generate \$715,700 annually in McLennan County property tax revenue,

This project will create an estimated 154 full-time jobs at \$46,000 average salary that will generate approximately \$71Million annually in regional economic impact to the Waco / Heart of Texas region.

Additionally, if the Texas market continues to grow, this project will build 2 additional greenhouses expanding to a 4 Greenhouse project in total. This 4 Greenhouse project would generating an estimated \$365.4 Million development that grows salad greens, generating an estimated \$1,921,332 annually in City property tax revenue. This project will also generate \$1,431,400 annually in McLennan County property tax revenue.

The 4 greenhouse configuration will create an estimated 240 full-time jobs at \$46,000 average salary that will generate approximately \$110.4 Million annually in regional economic impact to the Waco / Heart of Texas region.

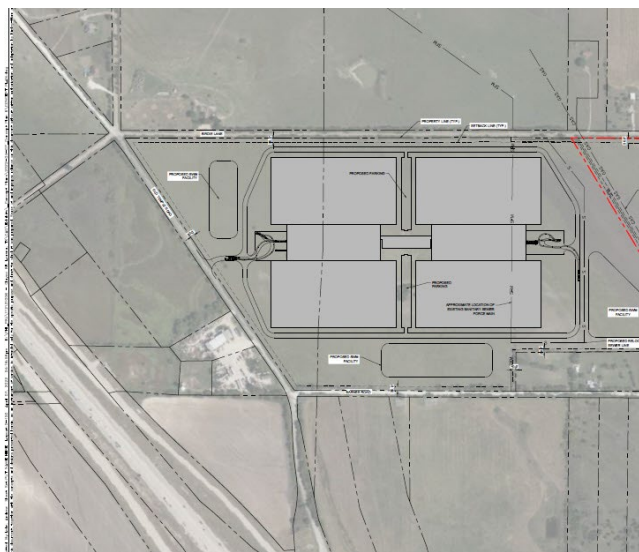
It is estimated that a greenhouse will be built every other year for eight years until the full buildout of 4 greenhouses is completed.

Secondary Benefits:

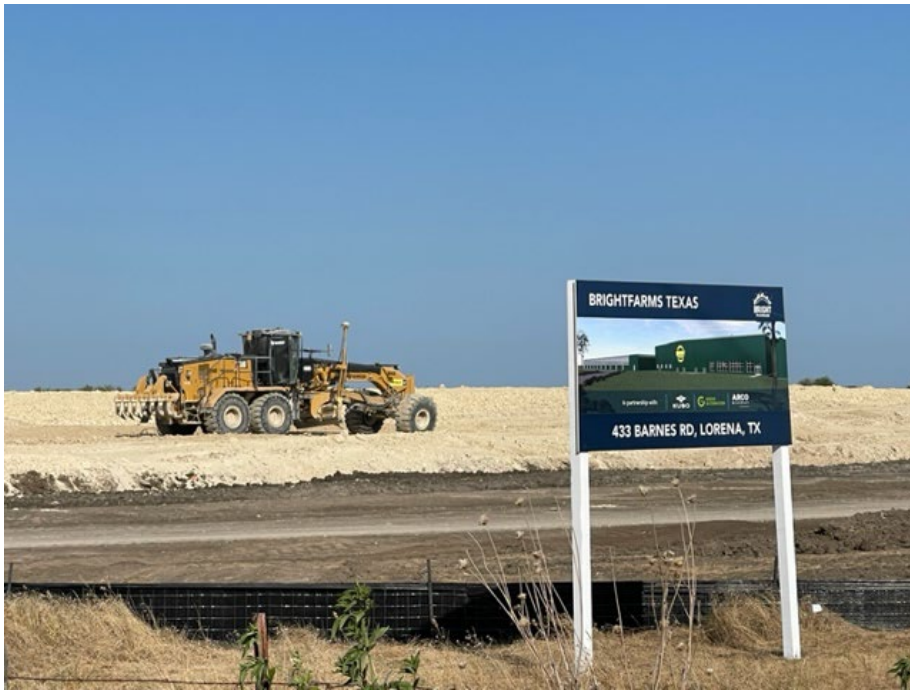
In addition, this prospect will provide wonderful free marketing of Lorena and the Waco / Heart of Texas region with the “Greenhouse Fresh from Lorena Texas” logo and label on the Bright Farms salad containers which Bright Farms does for all of the communities where their facilities are located. This marketing will assist the image and tourism of Lorena and the Waco / Heart of Texas region to those consuming the Bright Farms product within the 4-hour drive Bright Farms distribution radius including San Antonio, Austin, Houston, and the DFW Metroplex.



Coming Soon: Grown Greenhouse Fresh from Lorena Texas!



Bright Farms Four Greenhouse Site Plan near IH-35 in Lorena!



Bright Farms under construction in 2023 !



Example Bright Farms Hydroponic Commercial Greenhouse from other Bright Farms facility